

In a dramatic reversal, the House passed a \$700 billion Wall Street bailout its members had rejected four days before.

The bill passed 263-171, after 58 members switched their votes to support the bill. That total included 33 Democrats and 25 Republicans.

House Speaker Nancy Pelosi (D-Calif.) and Senate leaders immediately sent the 442-page bill to President Bush, who signed it into law Friday afternoon.

Wild swings in the stock market helped convince members to flip their votes, but they were rewarded with more fluctuations in the Dow Jones industrial average. It closed 157 points down, more than wiping out a 200 point gain it had registered before the House vote.

The cascade of switching lawmakers, who braved charges of flip-flopping, were swayed by the plunging stock market, rising unemployment numbers, the changing tenor of constituent calls from an ambivalent electorate and the persuasive power of their parties' presidential nominees.

They said that as much as they didn't like having to save the financial sector from its own mistakes, they feared the consequences of defeating the bill again.

"I am positive that inaction is not an option," said Rep. Mike Conaway (R-Texas) in a statement echoed by many other members. "So weighing the risk of doing nothing, I have decided that today I will vote yes."

Congressional leaders and Bush heavily lobbied House lawmakers who had voted no on Monday to convince them of the urgency of the situation. K Street's lobbyists also pulled out all the stops after Monday's embarrassing defeat.

The dynamics of the campaign trail and the changing fortunes of a lame-duck president factored into the heavy support among Democratic lawmakers and majority opposition among Republicans.

Several Democratic lawmakers, particularly members of the Congressional Black Caucus, said they received calls from Democratic standard-bearer Sen. Barack Obama (D-Ill.).

Rep. Rahm Emanuel (Ill.), House Democratic Caucus chairman, said that Obama "made numerous calls to not just all of us but our colleagues in the Democratic caucus and helped us gather the votes." Rep. Elijah Cummings (D-Md.) said he decided to switch after a Wednesday night phone call from Obama.

"It's not every day that you get the future president call you on the phone and say, 'Congressman, I want to work with you,'" Cummings said, adding that if Obama had called before he helped defeat the bill Monday, "I probably would've been in a different state of mind."

But there was little talk of intervention from Republican White House contender Sen. John McCain (Ariz.), who suspended his campaign last week to return to Washington and confer with his fellow Republicans on the bailout plan.

"They told me he was going to call me," said Rep. Sue Myrick (R-N.C.). "He didn't."

Meanwhile, Rep. John Campbell (R-Calif.), who urged members from the beginning to consider Paulson's plan, said he received a call from the president on his cell phone to thank him for his support after the vote.

"I've never had a call from the president before," a smiling Campbell said.

The bill is a legislative leviathan. When the Senate took over the \$700 billion package after the House rejected the plan on Monday, it added another \$150 billion in tax breaks, including a one-year patch of the Alternative Minimum Tax (AMT) that otherwise would be imposed on about 24 million middle-class taxpayers. The Senate also raised federal deposit insurance from \$100,000 to \$250,000.

The inclusion of the AMT patch and the additional deposit assurance appeared to win some Republican votes. Only 65 Republicans had voted for Monday's measure, but 91 offered their support Friday.

Many legislators complained that the bill didn't put enough new limits on Wall Street and didn't do enough to help middle- and low-income people caught in the downturn and the foreclosure crisis. But Democratic leaders pledged that they will do more in coming weeks and when Congress returns next year.

"Starting in January ... we have to rewrite how we finance in America," said House Financial Services Chairman Barney Frank (Mass.), House Democrats' chief negotiator on the bill. He predicted that the legislative program will be "comparable to what Franklin Roosevelt did in the New Deal."

House Oversight and Government Reform Chairman Henry Waxman (D-Calif.) stressed that his panel will continue its series of hearings on the "financial meltdown" well into October.

But critics said the time to enact new regulations was when the banks and brokers were asking for help and while regulators have leverage. Delaying, they said, gives Wall Street's lobbyists too much leverage to water down reforms.

"They will delay and dilute it. They'll put it in enough water that they can drink it down," said Rep. Brad Sherman (D-Calif.), who led a bipartisan band of opponents called the "Skeptics' Caucus."

Friday did not match the drama of Monday. Leaders were noticeably more relaxed than they had been four days earlier, when tension filled the chamber. The galleries were packed and members watched the final speeches from the chamber, but there was little if any doubt for the outcome of the vote.

Cheers rose when the 218-vote threshold for passage was reached, and about 30 "no" votes showed up on the voting boards in a matter of seconds. That indicates that dozens of members may have promised leaders to vote for the measure, but only if their votes were needed.

House Speaker Nancy Pelosi (D-Calif.), who Republicans complained poisoned Monday's vote with a partisan speech, delivered short and sunny remarks that criticized Wall Street, but not Republicans. She never used the word "Republican" or "Democrat," but said "bipartisan" at least twice.

Democrats were clearly in a jubilant mood after the vote. Pelosi ribbed Frank when he thanked his staff "because they had to put up with me."

"No comment," Pelosi said, sparking laughter and catching the notoriously sharp-tongued Frank off guard.

A majority of Republicans — 108 — voted against the legislation.

Still, the 91 Republican supporters — 36 more than Monday — would have been enough to put the vote over the top on Monday even without additional Democratic votes.

Likewise, enough Democrats switched their votes that they also could have decided the outcome.

Only one member, Rep. Jim McDermott (D-Wash.), switched from yes to no.

To deliver the votes for the plan, House leaders, especially Republicans, revved up their whipping operations.

On the House floor Thursday night, Chief Deputy Whip Eric Cantor (R-Va.) could be seen having close conversations with members who would potentially switch their votes, including retiring Rep. Jim Ramstad (R-Minn.), whose mental health parity bill was tied into the revamped legislation.

House Minority Whip Roy Blunt (R-Mo.) spoke to Rep. Bill Shuster (R-Pa.) while Blunt's staff huddled around Rep. Charlie Dent (R-Pa.). Blunt then talked to Dent for about 10 minutes before walking away. Both Dent and Shuster voted for the bill Friday after voting no on Monday.

Democratic leaders insisted they didn't need to lobby, having delivered a majority of their caucus on Monday.

But House Majority Leader Steny Hoyer (D-Md.) did have to quell a revolt among conservative Blue Dog Democrats.

The Senate's pairing of the bailout bill with tax breaks angered Blue Dogs, who oppose the billions the tax breaks that will add to the deficit. Hoyer himself complained Thursday that the Senate "jammed" the House. Rep. John Tanner (D-Tenn.) said on the floor Friday he was "disgusted" with the Senate additions.

Rather than voting against the bill, however, 15 Blue Dogs registered their discontent by voting against the procedural rule needed to bring up the legislation. Only three Blue Dogs switched their votes from no to yes.

Hoyer had worked together with Republican leaders to recruit 20 Republicans to vote for the rule to ensure that wouldn't block the bill from coming up for a vote.

Amid the bipartisan jubilation in the Capitol, it remained unclear how much the legislation will do to resolve the financial crisis. At a news conference, Blunt stressed it will take weeks or more to gauge the progress.

Told by a reporter that the markets were starting to rise, Blunt, smiled, gave a thumbs-up and said, "Market's going up? There you go."